BC Games Society

2015/16
ANNUAL SERVICE PLAN REPORT

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Board Chair's Accountability Statement

The BC Games Society *2015/2016 Annual Service Plan Report* compares the Society's actual results to the expected results identified in the *2015/2016 – 2017/2018 Service Plan*. I am accountable for those results as reported.

Byron McCorkell
Board Chair

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Chair/CEO Report Letter

On behalf of the Board of Directors and staff of the BC Games Society (the Society), I am pleased to present our *2015/16 Annual Service Plan Report* that reflects the Society's performance for the 12 months prior to March 31, 2016.

BC Games continue to play a crucial role in the sport sector in B.C., as well as in helping communities build their capacity to attract, prepare for, and deliver significant events. Whether managing up to seven multi-sport Games concurrently, showcasing our athletes, coaches and volunteers through Team BC, or assisting with a multitude of ancillary roles in support of the B.C. sport sector, we do so professionally, and with great integrity. In 2015/16, this work contributed to the successful staging of the 2016 BC Winter Games and 2015 55+ BC Games, and preparing for the 2016 BC Summer Games and 2016 55+ BC Games – all of which help British Columbians and their communities to benefit from the experience and legacies that these multi-sport events provide.

Our collective success is due to our committed, knowledgeable staff of 10 that use a Transfer of Knowledge (TOK) program that is the benchmark for multi-sport Games success in Canada. Those same TOK principles and practices come into play within the Team BC environment, and we will continue to streamline our internal processes with each passing Canada Games.

The Society has adopted an approach to ensure that the Provincial Government, stakeholders and customers receive timely information about our implementation of the *Taxpayer Accountability Principles* action items. Specifically, the Society and Ministry developed an accountability framework which established regular meetings and communications across the organization including the Minister, Deputy Minister, Board Chair and CEO levels. As well, through regular meetings and standing committee meetings, the Society board is well-versed in the importance of the *Taxpayer Accountability Principles*, and staff have incorporated the principles into their annual work plans.

A new accountability requirement for this fiscal year is reporting on the outcomes related to our performance against the direction received in the Minister's *2015/16 Mandate Letter*. The Society is pleased to report that we exceeded the key performance expectations as set out in the Mandate Letter; our responses are articulated in Appendix C.

The Society continues to adhere to the policies and practices introduced by government.

Sincerely,

Byron McCorkell
Chair

Kelly Mann
President and CEO

Purpose of the Organization

Established in 1977 under the *Societies Act*, the BC Games Society (the Society) is the leadership organization that guides the BC Winter and BC Summer Games and prepares Team BC for national multi-sport games. These games provide an opportunity for the development of athletes, coaches and officials in preparation for higher levels of competition in multi-sport events. The Games also promote interest and participation in sport and sporting activities, individual achievement and community development.

Since 1978, the Society has been staging the BC Winter Games and BC Summer Games. The two events, held every even calendar year, are B.C.'s largest regularly scheduled multi-sport events. Located in Victoria, the Society provides event management support, volunteer and participant management software, and financial resources to each of its games hosts. These host communities then form separate not-for-profit societies for the three-year cycle of their games management.

The Society is also responsible for the operations of Team BC (for things such as mission staff, logistics, travel and uniform procurement), which brings together B.C.'s best athletes to compete at the Canada Winter Games and Canada Summer Games.

The organization is recognized as a leader in multi-sport event and volunteer management and works in partnership with governments, businesses and not-for-profit organizations, in and out of the sport sector, to plan and deliver BC Games and to manage Team BC operations.

Strategic Direction and Context

The Society's *2015/16 Mandate Letter* provides direction to:

1. Implement shared services opportunities that support the mandate of the Government's Core Review process.
2. In conjunction with Host Organizing Committee, explore options for safe, secure, and fiscally prudent accommodations, transportation and meals for Games participants.
3. Review and complete implementation of policies to ensure athletes with a disability are fully integrated in the Games and continue to work with host societies to implement Games accessibility improvements (transportation, venues, etc.) in the community.

The above-noted accountabilities were implemented within the framework of the *Taxpayer Accountability Principles* (TAP) which was introduced to strengthen accountability, promote cost control and support strategic engagement. The framework allows the Society to be effective and efficient in its delivery, while doing so with integrity and respect and in the best interests of taxpayers. These last two principles are also highlighted as part of the Society's values statement.

While the past year brought continued success to the Society, various considerations impacted the Society's operating environment:

- Staff continued to provide significant leadership in support of the BC Winter Games, BC Summer Games and the 55+ BC Games.

- Considerable work has been done by staff to create new policies and a delivery framework for Team BC, which has improved volunteers' ability to deliver this program.
- Volunteer capacity impacts the operations at all levels of the BC Games. As a result, some duties and responsibilities previously provided at no or low cost are now budget items for the Society or host society.

Report on Performance

Through the effective and cost-efficient provision of guidance, resources and other support, the Society helped host societies successfully stage the 2016 BC Winter Games and 2015 55+ BC Games, and prepare for the 2016 BC Summer Games and 2016 55+ BC Games. In doing so, the Society trained and provided guidance to volunteers, thereby helping host communities to build their capacity and experience in hosting major events and individuals' jobs skills and expertise – all of which contribute to the Province's economic and *BC Jobs Plan* priorities.

As directed in the *2015/16 Mandate Letter*, the BC Games Society worked with host organizing committees to ensure safe, secure and fiscally prudent accommodations, transportation and meals for Games participants and to ensure inclusivity by integrating athletes with a disability into the Games. Complete direction and actions are found in Appendix C.

Regular engagement between the Ministry and the Society at various levels (e.g. Minister/Deputy Minister and Chair meetings) and board and executive training on *Taxpayers Accountability Principles* ensured alignment and accountability with government priorities and expectations and use of taxpayers' monies.

Goals, Strategies, Measures, and Targets

The goals and performance measures outlined in the BC Games Society *2015/16 – 2017/18 Service Plan* reflect the core business of the Society. Intrinsic to the Society's core business is a commitment to further both the sport system and government's goals and objectives, particularly with respect to healthy living, sport, and economic and community development. Through our work with provincial sport organizations, organizations for people with disabilities, and the Aboriginal Sports, Recreation and Physical Activity Partners Council to promote BC Games and zone competitions, BC Games contributes to increased participation in sport, particularly for those populations typically under-represented in sport (e.g. persons with a disability, Aboriginal and multicultural populations).

The development and implementation of coaching and officials' standards for BC Games' competitions also helps raise the level of competence and quality of coaching and technical support in communities throughout B.C. As well, the Society continues to promote the Canadian Sport for Life[1] model by aligning the Games with the model's Learn to Train/Train to Train stage of athlete development – thereby helping B.C. athletes and coaches move from one level of competition to another. This is measured by tracking the progression of BC Games alumni onto provincial and national teams.

[1] The Canadian Sport for Life model is an approach taken by federal, provincial and territorial jurisdictions in Canada to encourage lifelong participation in sport at all abilities and interests.

Multi-sport events bring economic spin-offs to host communities in the form of increased revenue from tourism, product and service supply opportunities for local businesses and other similar benefits. Community development is also enhanced by training volunteers and providing "opportunities to lead" to key volunteers. Training and leadership opportunities enhance a community's capacity to host future major events and provide important job skills to volunteers in areas such as administration, event planning, and team work. Success is measured through the number of volunteers recruited and trained, as well as key volunteers' use and satisfaction of BC Games' resources.

These legacies support government's commitment to fiscal responsibility, the *BC Jobs Plan*, a strong economy, and *Accessibility 2024* by making effective and efficient use of resources (through event management staff providing guidance and other resources to host societies), by developing job skills and experience (through trained volunteers), by fostering economic development (through visitor and Games' spending and legacy funds) and by providing opportunities for increased participation and accessibility for athletes with disabilities.

Goal 1: Effective Management of BC Winter Games, BC Summer Games and Team BC

In partnership with host societies, the Society delivered the Penticton 2016 BC Winter Games and planned for the Abbotsford 2016 BC Summer Games. Through a service agreement with the BC Seniors Games Society, the BC Games Society also provided effective event management services to host societies for the North Vancouver 2015 55+ BC Games and the Coquitlam 2016 55+ BC Games (that will take place September 2016).

The BC Games Society also oversaw Team BC operations at the 2015 Western Canada Summer Games in Wood Buffalo, Alberta, ensuring a cost-effective and efficient Games in support of TAP.

Strategies

- Providing concise written and online materials to support volunteers in delivering quality BC Games. While no specific performance measures were included for staff support, the effectiveness and use of these materials were enhanced by event managers' ongoing review of materials, and their "mentorship" to key volunteers in host communities.
- Developing and implementing standards and policies (e.g. coaching and official certification level requirements, core sport selection criteria, and athlete selection criteria); thereby not only raising the standard of event delivery, but also building these resources in communities that sent teams to the BC Games.
- Providing Provincial Sport Organizations use of the BC Games as a training ground for the long-term development of athletes towards participation as members of Team BC at the 2015 Western Canada Summer Games where BC Games alumni made up 44 per cent of the team.
- Providing guidelines and event management expertise to help ensure financial legacies for BC Winter and BC Summer Games.
- Identifying support and cost savings for the Team BC program through existing BC Games Society processes, policies and partnerships.

Performance Measure 1: BC Games' resources meet the needs of volunteers

Providing volunteers with the knowledge and resources to prepare for and deliver large events is key to successful BC Games and building community capacity to host future events.

Performance Measure	2012/13 Actual (2012 BCSG)	2013/2014 Actual (2014 BCWG)	2014/15 Actual (2014 BCSG)	2015/16 Target (2016 BCWG)	2015/16 Actual (2016 BCWG)	2016/17 Target (2016 BCSG)	2017/18 Target (2018 BCWG)
Volunteer satisfaction with online resource materials.	83%	92%	90%	85%	97%	85%	85%

Data Source: Volunteers surveyed using online Survey Monkey tool following each set of Games.

Discussion

This measure indicates that volunteers feel they have been provided with useful information and support to help them develop skills, confidence, and competency with their tasks. The volunteers surveyed after the 2016 BC Winter Games indicated a high use and valued on-line tasks, samples and protocols to effectively manage their Games; this satisfaction rate of 97 per cent exceeded its target.

Performance Measure 2: Coaches meet certification requirements

The selection of National Coaching Certification Program (NCCP) Level 2 as the standard for BC Games is consistent with the Canadian Sport for Life long-term athlete development model, which matches athlete and coach development to stages of growth from one level of competition to another.

Performance Measure	2012/13 Actual (2012 BCSG)	2013/2014 Actual (2014 BCWG)	2014/15 Actual (2014 BCSG)	2015/16 Target (2016 BCWG)	2015/16 Actual (2016 BCWG)	2016/17 Target (2016 BCSG)	2017/18 Target (2018 BCWG)
Head coaches are National Coaching Certification Program Level 2 certified.	92%	92%	92%	80%	96%	85%	80%

Data Source: Information provided by provincial sport organizations and Coaching Association of Canada.

Discussion

This measure not only contributes to raising the standard of the competitive experience for athletes participating at BC Games, but also provides various communities across B.C. with a legacy of competent, trained coaches. The target variances from year to year reflect that BC Summer Games typically have more team sports and each team has a large coaching complement (only the head coach is required to meet BC Games' NCCP certification standards). In 2015/16, however, BC Winter Games' certification rate of 96 per cent exceeded both the summer and winter games' expectations.

Performance Measure 3: BC Games Alumni on Team BC

As often the first multi-event games experience for athletes and coaches, the BC Games are an important milestone and pathway to higher levels of competition. The percentage of BC Games alumni on Team BC – the provincial team competing at Canada Summer Games (CSG) and Canada Winter Games (CWG) and Western Canada Summer Games (WCSG) – indicates this progression.

Performance Measure	2012/13 Actual	2013/2014 Actual	2014/15 Actual	2015/16 Target	2015/16 Actual	2016/17 Target	2017/18 Target
Percentage of BC Games alumni on Team BC (Canada Games and WCSG)	No Games	42% at 2013 CSG	57% at 2015 CWG	50% at 2015 WCSG	44% at 2015 WCSG	No Games	50% at 2017 CSG

Data Source: Comparison of Team BC registered athletes to BC Games past athlete database.

Discussion

The BC Games alumni percentage was lower than anticipated at the 2015 WCSG and was 41 per cent at the previous WCSG. While schedule conflicts and other factors may account for this target not being met, it could also indicate provincial sport organizations are not using these Games as effectively for long-term athlete development opportunities.

Performance Measure 4: BC Games Legacies

Reaching the legacy targets contributes to increased capacity for communities to stage subsequent events, job skills for trained volunteers, and new or enhanced sport opportunities.

Performance Measure	2012/13 Actual (2012 BCSG)	2013/2014 Actual (2014 BCWG)	2014/15 Actual (2014 BCSG)	2015/16 Target (2016 BCWG)	2015/16 Actual (2016 BCWG)	2016/17 Target (2016 BCSG)	2017/18 Target (2018 BCWG)
Legacies include: # of volunteers	2,850 volunteers	1,745 volunteers.	2,946 volunteers.	2,300 volunteers.	1,923 volunteers.	3,100 volunteers.	2,300 volunteers.
$ invested directly to Games' sports (e.g. equipment & expenditures)	$45,753	$80,370	$64,849	$60,000	$70,321	$80,000	$60,000
$ financial legacy (invested in post-Games' sport development and infrastructure)	$139,517	$62,811	$75,871	$65,000	$60,000	$75,000	$65,000

Data Source: Volunteer figures from View TEAM software/financials obtained from audited financial statements for each community

Discussion

The BC Winter Games and BC Summer Games are held in even calendar years (but alternate fiscal years) and vary in size and scope (e.g., number of participants, volunteers and budget). Targets for BC Winter Games, then, vary from those of BC Summer Games – but will be consistent from one BC Winter Games to another as each set of Games is held in a different community with a unique set of athletes, coaches and volunteers. Greater costs to deliver Games meant a reduced financial surplus leading to a slightly smaller legacy investment. This was offset through achieving a higher than anticipated legacy investment in sport programs.

Goal 2: Entrepreneurial Activities to Support Financial Sustainability and Program Enhancement

The Society encouraged financial sustainability and the enhancement of BC Games by increasing the level of non-governmental financial and in-kind support for the delivery of the BC Summer Games and BC Winter Games, as well as to the communities hosting these events.

Strategies

- Establishing new, and maintaining existing corporate partners, through a thorough delivery on our contractual obligations and ongoing efforts to recruit and maintain corporate sponsors.
- Providing supportive documentation and expertise to Host Communities to recruit and develop local cash and value-in-kind support.

Performance Measure 5: Corporate Partners provide cash and in-kind services

The ability for BC Games to generate corporate partnerships and local government and business to support Host Society budgets (performance measure 6) offsets expenditures thus providing for fiscally responsible delivery of BC Games while maintaining high standards for event management and legacy development.

Performance Measure	2012/13 Actual (2012 BCSG)	2013/2014 Actual (2014 BCWG)	2014/15 Actual (2014 BCSG)	2015/16 Target (2016 BCWG)	2015/16 Actual (2016 BCWG)	2016/17 Target (2016 BCSG)	2017/18 Target (2018 BCWG)
Jazz Aviation (cash discount on charter fare)	Jazz Air completed 2-year agreement. Contract renewal finalized. $9,615 value	Jazz Air enters 1st year of 2-year agreement. $11,389 value	Jazz Air completed 2nd year of 2-year agreement. $11,597 value	Jazz Air enters 1st year of renewed 2-year agreement. 5% discount	Jazz Air completed 1st year of renewed 2-year agreement $6,443 value	Jazz Air continues with 2nd year of 2-year agreement. 5% discount	Jazz Air enters 1st year of renewed 2-year agreement. 5% discount
Global BC (PSA ads and editorial VIK)	Global BC completed 2nd year of 4-year agreement $280,124 value	Global BC completed 3rd year of 4-year agreement. $300,372 value	Global BC continues with 4th year of 4-year agreement. $218,261 value	Global enters 1st year of renewed 4-year agreement. $250,000 value	Global BC entered 1st year of 4-year agreement. $66,618 value	Global BC continues with 2nd year of 4-year agreement. $250,000 value	Global BC continues with 3rd year of 4-year agreement. $250,000 value
Black Press (Ad VIK)	Black Press completed 2nd year of 4-year agreement. $183,000 value	Black Press completed 3rd year of 4-year agreement. $140,187 value	Black Press completed 4th year of 4-year agreement. $149,004 value	Black Press enters 1st year of renewed 4-year agreement. $150,000 value	Black Press completed 1st year of renewed 4-year agreement. $133,669 value	Black Press continues with 2nd year of 4-year agreement. $150,000 value	Black Press continues with 3rd year of 4-year agreement. $150,000 value
Coast Capital (cash)	n/a	n/a	Coast Capital completed 1st year of 3-year agreement. $60,000	Coast Capital continues with 2nd year of 3-year agreement. $60,000	Coast Capital completed with 2nd year of 3-year agreement. $60,000	Coast Capital continues with 3rd year of 3-year agreement. $60,000	Coast Capital completes 1st year of new 3-year agreement. $60,000

Discussion

The reduced value of the Jazz Aviation corporate partnership is a reflection of efficiencies and reduced travel requirements in 2015/16 – that is, the overall budget expenditure was smaller, therefore the value of the applied five per cent discount is lower. With respect to the variation in the Global BC corporate partnership, while Global BC continues to provide editorial profile in broadcasts, it no longer includes the value of such content as part of their in-kind value calculation. Global BC has also reduced the number of television ads in sponsorship offerings. As a result, the targeted estimation of value-in-kind was not met, but future performance measurement will include the impact of these changes. The targeted estimated value-in-kind provided by Black Press was missed, however, this discrepancy was relatively small and as it was an in-kind service, did not affect the Society's or host society's operating budgets.

Performance Measure 6: Host Society budgets are supported by local government and business through cash and in-kind contributions

BC Games Society event managers work with host society key volunteers to help develop and implement fund-raising plans for local "Friends of the Games," businesses, local government and other partners that provide cash or in-kind services.

Performance Measure	2012/13 Actual (2012 BCSG)	2013/2014 Actual (2012 BCWG)	2014/15 Actual (2014 BCSG)	2015/16 Forecast (2016 BCWG)	2015/16 Actual (2016 BCWG)	2016/17 Target (2016 BCSG)	2017/18 Target (2018 BCWG)
Cash and value-in-kind (VIK) generated	$105,938 cash $320,340 VIK	$9,100 cash $320,340 VIK	$153,450 cash $621,000 VIK	$40,000 cash $300,000 VIK	$66,390 cash $326,549 VIK	$60,000 cash $500,000 VIK	$40,000 cash $300,000 VIK

Discussion

These measures are determined by Host Societies and differ from one host to another depending on legacy plans, resources available and/or Host Societies' operational plans (e.g. one community may wish to focus on competition needs, while another may wish to focus on ceremonies). The Penticton 2016 BC Winter Games exceeded its target of cash and in-kind service, thus helping both the Host Society and the BC Games Society deliver quality games as budgeted.

Financial Report

Discussion of Results

As in past years, the Society met its financial objectives through thorough budget preparation and methodical monitoring, while continuing to access revenue through corporate partner acquisition. The continuation of Coast Capital Savings as a partner brought financial resources to the Society, which contributed to budget savings for our host cities. Additionally, the Society's legacy policy ensures a contribution back from the host city as a result of their fiscal oversight and local sponsor recruitment.

Revenue from athlete registration fees was $200,142 or $10,142 over budget. The increase is attributable to more athletes attending than estimated when the budget was approved.

The Society continues to monitor provincial grants to the BC Winter Games and BC Summer Games host cities as they experience escalating costs associated with hosting. These costs have generally been impacted by changing economies or community and/or volunteer fatigue (e.g. challenges competing with other events or local corporate fund-raising efforts and/or additional costs to procure services previously provided voluntarily). As well, increasing costs for office and warehouse space, school district costs, and other amenities have increasingly impacted financial resources over the past few years. A new policy direction was established in 2014/2015 whereby hosting grants were increased by up to $25,000 for the direct investment in sport equipment.

An increase of $30,000 through our B.C. government grant means a total of $85,000 now assists the Society in the delivery of the 55+ BC Games.

At March 31, 2016, the Society realized a budget surplus of $91,271.

Financial Resource Summary Table

$ millions	2010/11 Actual	2011/12 Actual	2012/13 Actual	2013/14 Actual	2014/15 Actual	2015/16 Budget	2015/16 Actual	2015/16 Variance	2014/15 – 15/16 Variance
Operating Revenue									
Contribution from Province	2,160	2,105	2,105	2,013	2,013	2,013	2,013	0	0
Other income	442	285	664	434	1,323	665	1,037	372	(286)
Total Revenue	2,602	2,390	2,769	2,447	3,336	2,678	3,050	372	(286)
Operating Expenses									
Grants	839	670	869	522	291	525	645	120	354
Games Operations	578	437	554	661	1,603	1,198	1,064	(134)	(539)
Overhead	442	459	487	508	547	100	470	370	(73)
Salaries and benefits	661	740	720	748	723	855	779	(76)	53
Total Expenses	2,520	2,306	2,630	2,440	3,163	2,678	2,958	280	(205)
Retained earnings	562	646	785	793	965	965	1,057	92	(81)

Notes 1. The above financial information was prepared based on current Generally Accepted Accounting Principles.
2. 2015/16 Budget column is the board approved budget.

Financial Statements

BC GAMES SOCIETY

Year ended March 31, 2016

1. Nature of operations

The Society was incorporated under the Society Act on June 26, 1987. Currently, the purpose of the Society is to provide event management leadership to achieve sport, individual and community development and to manage the operations of Team BC, which is a team of athletes, coaches, managers, and mission staff that is assembled by the Province of British Columbia to represent the province at Canada's various multi-sport events.

Approximately 66% of the Society's annual revenues are received from the Province of British Columbia with the remainder generated from corporate sponsors, contributions from other societies, surpluses from host societies, athlete registration fees, contract service and interest.

The BC Winter Games, the BC Summer Games and the BC Seniors Games are planned and operated by societies incorporated in the host community for each event. These financial statements do not reflect the revenues and expenditures of the local societies.

BC Games Society is exempt from income taxes under the Income Tax Act.

2. Summary of significant accounting policies

The term "Society" is used to mean the BC Games Society.

(a) Basis of accounting

The accompanying financial statements are prepared in accordance with Public Sector Accounting Board standards of the Chartered Professional Accountants of Canada without any elections to follow standards for government not-for-profit organizations.

(b) Cash and cash equivalents

Cash and cash equivalents include cash on hand and short term highly liquid investments that are readily convertible to known amounts of cash and are subject to insignificant risk of change in value. These short term investments generally have a maturity of three months or less at acquisition and are held for the purpose of meeting short term cash commitments rather than investing.

(c) Financial instruments

The Society's financial instruments include cash and cash equivalents, accounts receivable, amounts due from government organizations, accounts payable and accrued liabilities.

All financial instruments are measured at amortized cost using the effective interest method. Gains and losses are recognized in the Statement of Operations and Accumulated Surplus when these financial instruments are derecognized due to disposal or are impaired. Transaction costs related to the acquisition of these financial instruments are included in the cost of the related instruments.

The Society does not have any financial instruments, such as portfolio investments that are quoted in an active market or derivative instruments, which are valued at fair value, and therefore, no Statement of Remeasurement of Gains and Losses has been included.

2. Summary of significant accounting policies (continued)

(d) Non-financial assets

Non-financial assets are not available to discharge existing liabilities and are held for use in the provision of services. They have useful lives extending beyond the current year and are not intended for sale in the ordinary course of operations.

(i) Tangible capital assets

Tangible capital assets are recorded at cost, which includes amounts that are directly attributable to acquisition, construction, development or betterment of the asset. The cost, less residual value, of the tangible capital assets, is amortized on a straight-line basis over their estimated useful lives, as follows:

Asset	Basis	Rate
Computers and application software	Straight Line	3 – 5 Years
Registration software and computer cabling	Straight Line	5 Years
Bedding, torch, flags and signs for host societies	Straight Line	12 years
Furniture and equipment	Straight Line	10 years
Leaseholds	Straight Line	over the term of the lease

Tangible capital assets are written down when conditions indicate that they no longer contribute to the Society's ability to provide goods and services, or when the value of future economic benefits associated with the tangible capital assets are less than their net book value.

(ii) Works of art, historic assets, and intangibles

Works of art, historic assets, intangible assets and items that have been purchased, developed, or inherited in right of the Crown are not recorded as assets in these financial statements.

(iii) Inventories held for use

Inventories held for use are recorded at the lower of cost and replacement cost.

Cost includes the original purchase cost, plus shipping and applicable duties. Replacement cost is the estimated current price to replace the items.

2. Summary of significant accounting policies (continued)

(e) Revenue recognition

Revenues are recognized in the period in which the transactions or events occurred and gave rise to the revenues. All revenues are recorded on an accrual basis, except when the accruals cannot be determined with a reasonable degree of certainty or when their estimation is impracticable.

Government transfers are recognized as revenues when the transfer is authorized and any eligibility criteria are met, except to the extent that transfer stipulations give rise to an obligation that meets the definition of a liability. Transfers are recognized as deferred revenue when transfer stipulations give rise to a liability. Transfer revenue is recognized in the statement of operations as the stipulation liabilities are settled.

Contributions from other sources are deferred when restrictions are placed on their use by the contributor, and are recognized as revenue when used for the specific purpose. Restricted contributions that must be maintained in perpetuity are recorded as revenue when received or receivable, and are presented as non-financial assets in the statement of financial position.

Revenue related to fees or services received in advance of the fee being earned or the service is performed is deferred and recognized when the fee is earned or service performed.

Donated or discounted goods and services are recorded at fair value.

Receipt of surplus from Summer and Winter Games Societies are recorded at the earlier of cash receipt and final determination of the amount of the surplus.

Investment income includes interest recorded on an accrual basis, realized gains and losses on the sale of investments, and write-downs on investments where the loss in value is determined to be other-than-temporary.

(f) Provincial contributions

The financial statements do not reflect certain administrative expenses incurred and paid directly by the Province of British Columbia in the delivery of the games.

(g) Legacy Funds – host communities

Host communities retain 100% of profits from souvenir sales and 50% of their operating surplus, if any, and all interest earned as part of their legacy fund.

(h) Grants to host societies

Grants to host societies are recorded as an expense when disbursement of funds has been authorized, eligibility criteria have been met and a reasonable estimate of the amount can be made.

2. Summary of significant accounting policies (continued)

(i) Use of estimates

The preparation of the financial statements in accordance with Canadian public sector accounting standards requires management to make estimates and assumptions. These estimates and assumptions affect the reported amounts of assets, liabilities, and related disclosures at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Key areas where management has made estimates and assumptions include those related to the useful life of tangible capital assets and commitments. Where actual results differ from these estimates and assumptions, the impact will be recorded in future periods when the difference becomes known.

(j) Budget figures

Annual budget figures are determined by the Society's CEO based on approved funding available, as well as the geographical location of the Society's upcoming games to reflect travel and accommodation expenses for staff and athletes. The Society's budget for fiscal year 2016 was approved by the Board of Directors in January 2015. This approved budget is reflected in the Statement of Operations and Accumulated Surplus and the Statement of Changes in Net Financial Assets.

3. Cash and cash equivalents

	2016	2015
Unrestricted cash	$ 3,780	$ 190,990
GICs	1,007,268	957,902
	$ 1,011,048	$ 1,148,892

The GICs totaling $1,007,268 earn 1.00% and all have maturity dates of July 10, 2016. The GICs are redeemable after 30 days without penalty.

4. Due from other government organizations

The amount due from other government organizations pertains to Goods and Services Taxes (GST) which has been paid on the Society's purchases and expenses, net of GST collected from athlete registration revenue.

5. Accounts payable and accrued liabilities

	2016	2015
Trade accounts payable	$ 12,310	$ 5,309
Salaries and benefits payable	6,297	-
Accrued vacation pay	20,336	14,833
Other accrued liabilities	245,229	21,187
	$ 284,172	$ 41,329

6. Tangible capital assets

	Registration software	Computers	Bedding, torch, flags and signs for host societies	Furniture and equipment	Leasehold improvements	2016 Total
Cost						
Opening balance	$372,745	$60,594	$228,115	$58,365	$21,444	$741,263
Additions	25,108	425	-	405	-	25,938
Disposals	-	(1,573)	(704)	-	-	(2,277)
Closing balance	397,853	59,446	227,411	58,770	21,444	764,924
Accumulated amortization						
Opening balance	339,790	47,191	139,549	30,612	20,163	577,305
Amortization	12,678	6,832	11,113	5,857	854	37,334
Disposals	-	(1,573)	(704)	-	-	(2,277)
Closing balance	352,468	52,450	149,958	36,469	21,017	612,362
Net book value	$45,385	$6,996	$77,453	$22,301	$427	$152,562

Bedding, torch, flags and signs for host societies includes $11,152 (cost of $12,745, net of accumulated amortization of $1,593) of flags and signs for Team BC.

	Registration software	Computers	Bedding, torch, flags and signs for host societies	Furniture and equipment	Leasehold improvements	2015 Total
Cost						
Opening balance	$353,781	$54,203	$202,821	$49,073	$21,444	$681,322
Additions	18,964	6,391	25,294	9,292	-	59,941
Disposals	-	-	-	-	-	-
Closing balance	372,745	60,594	228,115	58,365	21,444	741,263
Accumulated amortization						
Opening balance	328,337	38,534	131,133	25,240	19,309	542,553
Amortization	11,453	8,657	8,416	5,372	854	34,752
Disposals	-	-	-	-	-	-
Closing balance	339,790	47,191	139,549	30,612	20,163	577,305
Net book value	$32,955	$13,403	$88,566	$27,753	$1,281	$163,958

Bedding, torch, flags and signs for host societies includes $12,214 (cost of $12,745, net of accumulated amortization of $531) of flags and signs for Team BC.

7. Financial risk management

The Society has exposure to the following risks from its use of financial instruments: interest rate risk, liquidity risk and other price risk.

The Board of Directors ensures that the Society has identified its major risks and ensures that management monitors and controls them.

It is management's opinion that there have been no changes to the Society's risk exposures from the previous fiscal year.

(a) Interest risk

Interest rate risk is the risk that the rate of return and future cash flows on the Society's GIC investments will fluctuate because of changes in market interest rates. The Society is not exposed to significant interest rate risk relating to its financial assets and liabilities.

(b) Liquidity risk

Liquidity risk is the risk that the Society will encounter difficulty in meeting obligations associated with financial liabilities. The Society enters into transactions to purchase goods and services on credit. Liquidity risk is measured by reviewing the Society's future net cash flows for the possibility of a negative net cash flow. The Society manages the liquidity risk resulting from its accounts payable obligations by maintaining significant cash resources and investing in liquid investments.

(c) Other price risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or foreign currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. Price risk is managed by holding investments to maturity.

(d) Fair value of financial instruments

The carrying amounts of cash and cash equivalents, accounts receivable and accounts payable and accrued liabilities approximate fair value because of the short maturity of these instruments.

8. Deferred contributions

Deferred contributions are comprised of funds restricted for Team BC operating costs.

Team BC operating costs consist of salaries paid to the operations manager, travel expenses, publication and marketing expenses, and other miscellaneous operational and administrative expenses.

	2016	2015
Balance, beginning of year	$ 412,846	$ -
Contributions received during the year	237,766	1,193,864
Revenue recognized from deferred contributions	(619,444)	(781,018)
Funds returned to contributors	(31,168)	-
Balance, end of year	$ -	$ 412,846

9. Surplus from host societies

Surplus from the host societies is comprised of:

	2016	2015
Nanaimo 2014 Summer Games Society	$ 51,842	$ -
Mission 2014 Winter Games Society	-	40,129
	$ 51,842	$ 40,129

10. Expenses by object

The following is a summary of expenses by object:

	2016	2015
Advertising and promotions	$ 33,623	$ 58,560
Amortization	37,334	34,752
Bad debts	-	4,556
Computer maintenance	1,426	3,788
Games operating costs	442,413	867,420
Insurance, leases and utilities	183,358	169,538
Office and business expenses	75,726	87,134
Operating grants	645,377	291,000
Professional services	38,119	59,027
Salaries and employee benefits	779,029	725,883
Team BC operating costs	621,594	781,018
Travel and accommodation	100,616	80,511
	$2,958,615	$3,163,187

11. Contractual obligations

The Society has commitments arising from contractual agreements for office equipment, employment services, and a lease for office premises. It is responsible for all operating costs associated with the property lease. These operating costs totalled approximately $32,736 in 2016 (2015 - $31,343) and are in addition to the amounts reported below. The Society is also committed to provide funding to host societies for staging of future games events:

	2017	2018	2019	2020	2021
General commitments	$ 252,254	$ 248,058	$ 247,240	$ 100,260	$ 86,605
Host society commitments	625,000	545,800	-	-	-
Anticipated commitments	-	-	554,200	475,000	500,000
	$ 877,254	$ 793,858	$ 801,440	$ 575,260	$ 586,605

Appendix A: Subsidiaries and Operating Segments

Not applicable.

Appendix B: Additional Information

Corporate Governance

Complete information on the BC Games Society's governance structure, Board information, and related documentation can be found by clicking on the drop down box here:
http://www.bcgames.org/AboutUs.aspx

Organizational Overview

More information on the BC Games Society can be found at:
http://www.bcgames.org/AboutUs.aspx

Appendix C: Crown Corporation's Mandate and Actions Summary

In the *2015/16 Mandate Letter* from the minister responsible, BC Games Society received direction on strategic priorities for the 2015/16 year. These priorities and the Crown corporation's resulting actions are summarized below:

Mandate Letter Direction	Crown Corporation's Action
1. Implement shared services opportunities that support the mandate of the Government's Core Review process. • The overarching goal of the Core Review process is to help ensure the best possible use of government resources and respect for the interests of taxpayers.	Potential shared service opportunities identified during government's Core Review (which was completed in 2014) were explored, reviewed and incorporated under ongoing implementation of the *Taxpayer Accountability Principles*. The Society continued implementation of these cost efficiencies such as online access to event management resources, teleconferencing, reduced travel and new / renegotiated corporate partnerships (Jazz Aviation, Coast Capital Savings, Black Press and Global BC).
2. In conjunction with Host Organizing Committee, explore options for safe, secure, and fiscally prudent accommodations, transportation and meals for Games participants. • Continue to ensure the safety and well-being of the children and young adults competing at the Games, as well as the care and comfort of all spectators.	The Society provided event management services to the Penticton 2016 BC Winter Games host society. Games participants' accommodation, transportation and meals were planned in compliance with Host Society operational and budget plans (both of which are guided by BCGS event management expertise and guidelines).
3. Review and complete implementation of policies to ensure athletes with a disability are fully integrated in the Games and continue to work with host societies to implement Games accessibility improvements (transportation, venues, etc.) in the community. • Continue to ensure the Games are inclusive and all athletes have an equitable opportunity to achieve excellence.	The Penticton 2016 BC Winter Games provided opportunities in four sports and developed accessibility plans for venues, accommodation and transportation.